

ARTEMIS UK FUTURE LEADERS PLC

Schedule of Matters Reserved for the Board

Membership

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1. The Role of the Board

The Board's role is to provide entrepreneurial leadership of the Company within the framework of prudent and effective controls which enables risk to be assessed and managed.

The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews the performance of the investment management company.

The Board sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

All Directors must take decisions objectively and act in accordance with the provisions of the Companies Act 2006 and the general duties of directors specified therein:-

- i) to act within powers;
- ii) to promote the success of the Company;
- iii) to exercise independent judgement;
- iv) to exercise reasonable care, skill and diligence;
- v) to avoid conflicts of interest;
- vi) not to accept benefits from third parties; and
- vii) to declare any interest in a proposed transaction or arrangement.

The Board should constructively challenge and help develop proposals on strategy, scrutinise the performance of the investment management company in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.

The Board retains overall responsibility for the Company's affairs, however, subject to the final sanction or veto of the Board, if imposed, certain of these responsibilities have specifically been delegated to committees of the Board. The detail and extent of such delegation is set out in the terms of reference of these committees. In addition, the Board has, through an Investment Management Agreement and through specific instructions, delegated the day to day management of the company to the Manager, Artemis Fund Managers Limited.

Save as summarised above, and as may be delegated from time to time, all other matters in relation to the company's affairs are reserved for the Board. The items set out below outline specific reserved matters but are not intended to provide an exhaustive list and are subject to amendment by the Board.

2. Authority

The Directors are authorised under the Companies Act and the Articles of Association of the Company to:

2.1 Seek any information they require from:

- Compliance and Internal Audit;
- UK Distribution Division;
- Any other relevant person within the Artemis Group;
- External Parties, including auditors, brokers, registrars, lawyers, custodians and third party service providers.
- Obtain outside legal or other professional advice to a level of £10,000 without prior Board approval.

2.2 Seek the attendance of any relevant persons from the Artemis Group at meetings, as appropriate.

3. Meetings

3.1 A quorum for any meeting will be two members.

3.2 The Board may invite such other persons, internal or external, to attend its meetings, as it deems necessary.

3.3 Meetings of the Board shall be summoned by the Secretary at the request of the Chairman or a Director of the Board.

3.4 Meetings shall be held not less than four times a year. Further meetings may be convened as required. All meetings will normally be notified at least five working days in advance.

3.5 In accordance with the Articles of Association, a Director shall be treated as present in person at a meeting of the Board if he is in communication with the meeting by conference telephone or other communication equipment permitting those attending the meeting to hear one another.

3.6 The proceedings of all meetings will be minuted. Draft minutes will be circulated to all Directors within 10 working days, following approval by the Chairman.

The Board of Directors has ultimate responsibility for the following:

4. Strategy and Management

4.1 The overall investment management of the Company.

4.2 The approval of the Company's investment policy, long term objectives and strategy.

4.3 The approval of the annual operating budgets and any material changes to them.

4.4 The oversight of the Company's operations ensuring:

- competent and prudent investment management;
- sound planning;
- an adequate system of internal control;

- adequate accounting and other records; and
- compliance with statutory and regulatory obligations.

4.5 The review of performance in the light of the Company's strategy, investment objectives and policy, financials and ensuring that any necessary corrective action is taken.

4.6 The appointment or removal of the Investment Managers.

4.7 The approval of the management contract or supplementary agreements with regard to any adjustment deemed necessary.

4.8 The approval of the terms of the Manager's investment management fee.

4.9 The development and presentation of any resolutions to be put to shareholders at a general meeting (considering the rules laid down in the Company's Articles of Association).

5. Investment Management

5.1 Voting on portfolio holdings is delegated to the investment manager. Review of votes cast during the reporting period at each Board meeting with commentary by the portfolio managers.

5.2 Defining the scope of the investment manager's responsibilities, including the principal operating issues (such as the methodology for performance benchmarking, hedging, futures contracts, gearing, share buy-backs and issuance) and agree the procedure for the investment manager to report back to the Board.

5.3 Identifying any circumstances in which the investment manager should refer to the Board for approval before undertaking transactions (such as dealing in any other investment fund managed by the investment manager or investing in new issues of other closed-end funds managed by others).

5.4 Agreeing that the investment manager inform the Board of any conflicts surrounding share trades and votes.

5.5 Agreeing a policy on whether the investment manager should be permitted to carry out commission sharing.

5.6 Changing the investment policy guidelines laid down for the investment manager.

6. Structure and Capital

6.1 Changing the Company's capital structure including reduction of capital, share issues, share buy-backs (including the use of treasury shares).

6.2 Approving any policies relating to discount management policy, share buy-backs, share issuance.

6.3 Changing the Company's corporate structure, seeking shareholders' consent as appropriate.

6.4 Changing the Company's listing or its status as a plc, seeking shareholders' consent as appropriate.

7. Financial Reporting and Controls

- 7.1 Approving the announcement of half yearly and annual financial results.
- 7.2 Approving the annual financial report, including the corporate governance statement, strategic report (including the viability statement), directors' report and the directors' remuneration report and policy.
- 7.3 Approving the dividend policy.
- 7.4 Declaring any interim dividends and recommendation of any final dividend.
- 7.5 Approving any significant changes in accounting policies or practices.
- 7.6 Approving any changes to the capital:revenue apportionment of expenses.
- 7.7 Approving any treasury policies (including borrowing parameters, foreign currency exposure and the use of financial derivatives including futures).
- 7.8 Approving the gearing policy.
- 7.9 The Board, having sought the opinion of its Audit Committee, should determine whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy

8. Internal Controls

- 8.1 Through the Audit Committee, ensuring the maintenance of a sound system of internal control and risk management including:
 - receiving regular reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives;
 - undertaking an annual assessment of these processes; and
 - approving an appropriate statement for inclusion in the annual financial report.

9. Contracts

- 9.1 Approving contracts which are material strategically or by reason of size, entered into by the Company in the ordinary course of business, for example bank borrowings.
- 9.2 Approving contracts of the Company not in the ordinary course of business, for example loans and repayments; foreign currency transactions; major acquisitions or disposals.
- 9.3 Major investments (including the acquisition or disposal of interests of more than 5 percent in the voting shares of any company or the making of any takeover offer).

10. Communication

- 10.1 Approving resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 10.2 Approving all circulars and listing particulars (approval of routine documents could be delegated to a committee of the Board).

10.3 Approving press releases concerning matters decided by the Board.

11. Board Membership and other Appointments

11.1 Changing the structure, size and composition of the Board. The Board, at all times, shall comprise at least three non-executive Directors, the majority of whom, in the opinion of the Board, shall be independent of the Company, its investment manager and its advisers. Overall, the Board of Directors shall have a balance of skills sufficient in terms of expertise, independence, diversity (including gender) and experience to run the Company. The day-to-day business of the Company shall be run by the Manager.

11.2 Ensuring adequate succession planning for the Board.

11.3 Appointments to the Board.

11.4 Selecting the Chairman of the Board.

11.5 Appointment of the Senior Independent Director (if applicable) or Deputy Chairman.

11.6 Membership and Chairmanship of Board committees.

11.7 Continuation in office of Directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.

11.8 Continuation in office of any Director at any time, including the suspension or termination of service of any executive Director as an employee of the Company, subject to the law.

11.9 Appointing or removing the Company Secretary.

11.10 Appointing, reappointing or removing the external auditor to be put to shareholders for approval, following the recommendation of the Audit Committee.

12. Remuneration (in the absence of a separately appointed Remuneration Committee)

12.1 Determining the remuneration of the non-executive Directors, subject to the Articles of Association and shareholder approval as appropriate, taking into consideration all matters deemed necessary to ensure that all Board members are provided with appropriate compensation and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company, taking into account committee memberships.

12.2 Approving the remuneration policy and annual statement of remuneration for inclusion in the annual financial report.

13. Delegation of Authority

13.1 Approving the terms of reference of Board committees.

13.2 Receiving reports from Board committees on their activities and recommendations in respect of matters to be decided.

- 13.3 Matters which the Board considers suitable for delegation are contained in the terms of reference of its Committees.

14. Corporate Governance Matters

- 14.1 Undertaking a formal and rigorous review (annually) of its own performance, that of its committees and individual Directors, the Manager and Company Secretary.
- 14.2 Considering and determining the independence of Directors.
- 14.3 Reviewing the Company's overall corporate governance arrangements.
- 14.4 Receiving reports on the views of the Company's shareholders.
- 14.5 Considering the interests of shareholders.
- 14.6 Considering and authorising (where appropriate) direct or indirect interests of Directors that conflict, or possibly may conflict, with the interests of the Company.
- 14.7 Consider the company's compliance with the UKLA's Listing Rules, the FCA's Disclosure, Guidance and Transparency Rules and the principles and recommendations of the AIC Code of Corporate Governance.

15. Policies

- 15.1 Approving policies, including:
- Directors' tenure policy
 - Dealing Code for transactions in securities by Directors/PDMRs and persons closely associated with them (PCAs).
 - Directors' appointment policy
 - Corporate social responsibility policy
 - Charitable and/ or political donations policy
 - Investment policy
 - Directors' remuneration policy
 - Buy-back, cancellation, treasury and re-issuance policy

16. Other

- 16.1 Approving the appointment of the Company's principal professional advisers.
- 16.2 Prosecution, defence or settlement of litigation.
- 16.3 Approving overall levels of insurance for the Company including Directors' & Officers' liability insurance (and indemnification of Directors).
- 16.4 Approving this schedule of matters reserved for the Board.

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